



## **FEDERAL RESERVE SYSTEM**

### **Agency information collection activities: Announcement of Board Approval under Delegated Authority**

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** Notice is hereby given of temporary approval of revisions to the mandatory Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128) by the Board of Governors of the Federal Reserve System (Board) pursuant to the authority delegated to the Board by the Office of Management and Budget (OMB), per OMB Regulations on Controlling Paperwork Burdens on the Public. The temporary approval is valid until March 31, 2019.

**DATES:** The revisions are applicable as of June 30, 2018.

#### **FOR FURTHER INFORMATION CONTACT:**

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551, (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, N.W., Washington, DC 20503 or by fax to (202) 395-6974.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, the OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to temporarily approve a revision to a collection of information without providing opportunity for public comment if the Board determines that a change in an existing collection must be instituted quickly and that public

participation in the approval process would defeat the purpose of the collection or substantially interfere with the Board's ability to perform its statutory obligation.

The Board's delegated authority requires that the Board, after temporarily approving a collection, publish a notice soliciting public comment. The Board will publish a notice in the future inviting comment on these actions.

**Final approval under OMB delegated authority of the temporary revision of the following reports:**

*Report title:* Consolidated Financial Statements for Holding Companies.

*Agency form number:* FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS.

*OMB control number:* 7100-0128.

*Effective Date:* June 30, 2018

*Frequency:* Quarterly and semiannually.

*Respondents:* Bank holding companies, savings and loan holding companies, securities holding companies, and U.S. intermediate holding companies (collectively, holding companies (HCs)).

*Estimated number of respondents:* FR Y-9C (non-advanced approaches holding companies): 638; FR Y-9C (advanced approaches holding companies): 18; FR Y-9LP: 775; FR Y-9SP: 3,837; FR Y-9ES: 82; FR Y-9CS: 236.

*Estimated average hours per response:* FR Y-9C (non-advanced approaches holding companies): 46.29 hours; FR Y-9C (advanced approaches holding companies HCs): 47.54 hours; FR Y-9LP: 5.27 hours; FR Y-9SP: 5.40 hours; FR Y-9ES: 0.50 hours; FR Y-9CS: 0.50 hours.

*Estimated annual burden hours:* FR Y-9C (non-advanced approaches holding companies): 118,132 hours; FR Y-9C (advanced approaches holding companies): 3,423 hours; FR Y-9LP: 16,337 hours; FR Y-9SP: 41,440 hours; FR Y-9ES: 41 hours; FR Y-9CS: 472 hours.

*General description of report:* The FR Y-9 family of reporting forms continues to be the primary source of financial data on HCs that examiners rely on between on-site inspections. Financial data from these reporting forms is used to detect emerging financial problems, review performance, conduct pre-inspection analysis, monitor and evaluate capital adequacy, evaluate HC mergers and acquisitions, and analyze an HC's overall financial condition to ensure the safety and soundness of its operations. The FR Y-9C, FR Y-9LP, and FR Y-9SP serve as standardized financial statements for the consolidated holding company. The Board requires HCs to provide standardized financial statements to fulfill the Board's statutory obligation to supervise these organizations. The FR Y-9ES is a financial statement for HCs that are Employee Stock Ownership Plans. The Board uses the FR Y-9CS (a free-form supplement) to collect additional information deemed to be critical and needed in an expedited manner. HCs file the FR Y-9C on a quarterly basis, the FR Y-9LP quarterly, the FR Y-9SP semiannually, the FR Y-9ES annually, and the FR Y-9CS on a schedule that is determined when this supplement is used.

*Legal Authorization and confidentiality:* The FR Y-9 family of reports is authorized by section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)), section 10 of Home Owners' Loan Act (12 U.S.C. 1467a(b)) and section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. 1850a(c)(1)), and section 165 of the Dodd-Frank Act (12 U.S.C. 5365). The obligation of covered institutions to report this information is mandatory.

With respect to FR Y-9LP, FR Y-9SP, FR Y-ES, and FR Y-9CS, the information

collected would generally not be accorded confidential treatment. If confidential treatment is requested by a respondent, the Board will review the request to determine if confidential treatment is appropriate.

With respect to FR Y-9C, Schedule HI's item 7(g) "FDIC deposit insurance assessments," Schedule HC-P's item 7(a) "Representation and warranty reserves for 1-4 family residential mortgage loans sold to U.S. government agencies and government sponsored agencies," and Schedule HC-P's item 7(b) "Representation and warranty reserves for 1-4 family residential mortgage loans sold to other parties" are considered confidential. Such treatment is appropriate because the data is not publicly available and the public release of this data is likely to impair the Board's ability to collect necessary information in the future and could cause substantial harm to the competitive position of the respondent. Thus, this information may be kept confidential under exemptions (b)(4) of the Freedom of Information Act, which exempts from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (5 U.S.C. 552(b)(4)), and (b)(8) of the Freedom of Information Act, which exempts from disclosure information related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions (5 U.S.C. 552(b)(8)).

*Current Actions:* The Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), enacted on May 24, 2018, amended various provisions of banking law to eliminate or reduce statutory and regulatory requirements on certain banking organizations. EGRRCPA, among other things, provides that state member banks and other depository institutions may only be required to assign a heightened risk weight to a "high volatility commercial real estate" (HVCRE) exposure if such exposure is an "HVCRE ADC Loan," as

defined in section 214 of EGRRCPA. Section 202 of EGRRCPA also amended the statutory definition of “brokered deposits.” The current instructions for reporting HVCRE and brokered deposits in the FR Y-9C are inconsistent with these provisions of EGRRCPA.

In order to avoid the regulatory burden associated with different definitions for HVCRE exposures and brokered deposits within a single organization, the Board has amended the FR Y-9C instructions to permit bank holding companies, savings and loan holding companies, and intermediate holding companies of foreign banks to report HVCRE and brokered deposits on the FR Y-9C report in a manner consistent with their subsidiary depository institution(s).

In order for the FR Y-9C to reflect sections 202 and 214 of EGRRCPA, which became effective immediately when EGRRCPA was signed on May 24, 2018, the Board cannot comply with the normal clearance process and still receive the June 30, 2018, financial data in a timely manner. Therefore, the Board has determined that the revisions to the FR Y-9C described above must be instituted quickly and public participation in the approval process would substantially interfere with the Board’s ability to perform its statutory obligations arising from EGRRCPA.

Board of Governors of the Federal Reserve System, September 6, 2018.

**Michele Taylor Fennell,**

*Assistant Secretary of the Board.*

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